

Executive Order

CLASSIFIED

25 JAN 1980

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director for Administration

FROM: James H. McDonald
Director of Logistics

SUBJECT: Possibility of Publicity Associated With
Agency Occupancy of 85,000 Square Feet
of Office Space [REDACTED]

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1. This memorandum is for information only.
2. On 24 January 1980, the Director of Logistics met with

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[REDACTED]

the new office building which the Agency has contracted to lease will be built. These gentlemen had become aware of the Agency involvement in this building through other means, and while they do not object to this Agency's occupancy of the building per se, they are concerned with the general commercial development of the area which they consider significant, although the Agency's building is a minor part.

3. These concerns center around the disruption to their residential environment which would be caused primarily by substantially increased traffic on the two principal access roads. Their efforts appear to be directed toward persuading [REDACTED] to either preclude or radically restrict future commercial development of this area. While there appears to be little likelihood of their blocking construction of the building being built for Agency occupancy, it does appear likely that our occupancy will be disclosed as the civic association pursues its case at various public hearings and meetings, and possibly as a result of local press coverage of those meetings.

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4. The Director should also be aware that the developer, [REDACTED] has among its 28 limited partners, two current and six former Agency employees (Attachment). However, plans to develop this site and the Partnership were established for the purpose of commercially developing

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the site some time before the government's solicitation of offers. This solicitation was undertaken by the General Services Administration (GSA) in response to Agency space requirements which included a large delineated area encompassing many potentially acceptable sites. All negotiations were conducted by GSA without Agency participation or knowledge of the bidders. After negotiations were complete, GSA delegated leasing authority to the Agency, who awarded the contract to the developer selected by GSA as the lowest bidder.

5. The names of the limited partners with past or present Agency affiliation have been identified to the Office of General Counsel, and it is their opinion that there is no violation of the conflict of interest statutes under these circumstances.

James H. McDonald

Attachment

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